

with the majority leader if we gave actually 30 minutes on each side to speak as in morning business, to take us a little past the 10:30 hour. Does the majority leader see any problem with that?

Mr. FRIST. I think that would be fine.

Mr. REID. I ask unanimous consent we do that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I say to the majority leader, the Democratic leader even this morning indicated that he was extremely hopeful and confident we could work something out on an organizing resolution. Senator STEVENS was here this morning. I know he wants to move forward on the appropriations, and we do, too. We hope we can complete the work the leader has outlined.

Mr. President, that is all I have for the majority leader. I thank him very much.

Senator CONRAD is here and wishes to speak for 20 minutes. I ask Senator THOMAS: Senator CONRAD wishes to speak for 20 minutes. Do you wish to speak now?

If not, I ask unanimous consent that Senator CONRAD be recognized for 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Dakota.

THE ORGANIZING RESOLUTION

Mr. CONRAD. Mr. President, I thank my colleague, Senator REID, and I thank all of our leaders for working together. It appears now that we are on the brink of success for an organizing resolution. I must say, however, some of the rhetoric I heard yesterday I think was unfortunate. Talk about a coup in the Senate or in the United States—that is reckless talk. That is inappropriate talk. What has occurred here is a negotiation on the delicate subject of the organization of the Senate. At a previous time in just recent years, it took 6 weeks to have that negotiation occur. Nobody asserted that there was a coup occurring in this country. That is reckless talk. It is irresponsible talk. It may be good for headlines, it may be good for getting on television, but it does not serve this body well and it does not serve our country well. I hope colleagues will be more thoughtful in their use of language in the future.

THE ECONOMY

Mr. CONRAD. Mr. President, I rise today to talk about what the President has proposed in terms of an economic stimulus package or, as he now terms it, an economic growth package, because I think it is one of the key issues facing us and our country in the days ahead. As the chairman of the Budget Committee—at least until the new organizing resolution is adopted, at which time I will be the ranking mem-

ber of the Budget Committee—I think I have a special obligation to my colleagues to review what the President has proposed and to give my take on it.

I, along with my staff, have now given a detailed review to what the President proposes, and I have concluded that the President's proposal is, No. 1, ineffective with respect to giving stimulus to the economy;

No. 2, unfair in terms of its application;

And, No. 3, irresponsible because it will add almost \$1 trillion to our national debt when we are already back into serious deficits and adding to the national debt right on the eve of the retirement of the baby boom generation. I don't believe this is a growth package. Indeed, I think it will inhibit growth because I believe it will put upward pressure on interest rates, and when the economy does resume stronger growth, higher interest rates will tend to choke off that stronger growth.

I started by saying I think the President's plan is ineffective with respect to stimulus. I said that, because if one looks at the total cost of his plan, which we estimate at over \$900 billion—not the \$600 billion that has been advertised but over \$900 billion—with associated interest costs included, and, obviously, if you spend money or you reduce taxes, the interest costs to the Federal Government go up because you are adding to the debt. We are in debt now. We are paying interest on that debt. If you add to the debt you add costs.

It is stunning to me. But only \$36 billion of this \$900 billion cost in the President's plan is for this year. This year is the time we have economic weakness. This year is the time our economy needs to be stimulated. Yet only about 5 percent of the President's package—in fact, less than 5 percent—is for this year. That makes no earthly sense to me. If the rationale is the economy is weak and needs a boost, why would you only use 5 percent of the cost of your package for stimulus now?

Last year on a bipartisan basis, Democrats and Republicans on the Budget Committee in both the House and the Senate agreed on a set of principles to apply to a stimulus package. We agreed it ought to be effective immediately; that most of the money should flow in the first 6 months, and that it should have very little outyear effect to avoid adding to the deficit and debt. The President's proposal stands that set of principles on its head. When the President's plan was first introduced, they said it was going to give over \$100 billion of lift to the economy this year. Then they changed that and said that it would only be about \$58 billion. Now we have had a chance to do a detailed analysis of the President's proposal and we find that it is not \$108 billion; it is not \$58 billion; the lift to the economy this year is \$36 billion. The President might argue it should be a little bit more than that because of

the unemployment insurance legislation we have already passed. That is \$3 or \$4 billion. If you want to add that, fine. That would take us to about \$39 billion. It doesn't change the point at all. Less than 5 percent of the cost of the President's plan is available this year. It is ineffective in terms of stimulus.

Second, it is not fair. It is not fair in its application. It is not fair in its distribution.

This chart shows the five quintiles—arranged in income order of earners in the United States. In other words, one-fifth of American taxpayers in each of these categories. We see the top 20 percent earn more than \$68,000 a year. Under the President's plan, they get 78 percent of the benefit. But look at what other folks get. It is fascinating. The bottom 60 percent get less than 8 percent of the benefit. The top 20 percent get 78 percent of the benefit. The bottom 60 percent get less than 8 percent of the benefit. It is not fair.

In fact, the unfairness of this plan becomes even clearer when you look at the other distributional effects. This shows the benefit of the plan to those people in our society who earn over \$1 million a year. Under the President's plan, they would get an average tax reduction of \$88,873.

These are not KENT CONRAD's numbers. This comes from the Center on Tax Policy. This is their analysis of the President's plan.

Interestingly enough, the typical taxpayer—that 20 percent of taxpayers who are right in the middle—get an average benefit of \$265. The President said this is fair. It is an interesting notion of fairness. I don't think it is fair. I don't think it is close to being fair to give to those who earn over \$1 million a year more than \$88,000 of benefit and to those who are right in the middle of the income stream in our society \$265. The President says that is fair. That raises a mighty serious question about fairness.

It is ineffective. I think it is clear. Only 5 percent of the stimulus is available this year at the time when our economy needs a lift. I think it is abundantly clear it is not fair.

But even more serious, I believe, is the reckless nature of their proposal. How is it paid for? That is a question too little asked around here. How is it paid for? Here is the reality. Every penny of this proposal is being paid for out of the Social Security trust fund. The President says it is class warfare when anybody questions the fairness of his plan. I think the President is engaging in class warfare to propose taking \$900 billion out of the Social Security trust fund to pay for a tax program that is overwhelmingly skewed to the wealthiest among us. That is wrong. It cannot stand and it should not be passed.

Not only does every penny come out of the Social Security trust fund, but it is going to dramatically increase the debt of our country.